

MEMORANDUM

To: Health reporters and editors
From: Carol Guthrie for Senator Max Baucus (202-224-4515)
Re: Outstanding health care issues
Date: Friday, September 29, 2006

U.S. Senator Max Baucus (D-Mont.), Ranking Member of the Senate Finance Committee, entered the following statement into the Congressional Record today regarding health policy issues left outstanding as Congress enters its pre-election recess. His remarks included comments on health information technology legislation, Medicare physician reimbursements, Transitional Medical Assistance, the Children's Health Insurance Program (CHIP), and the Indian Health Care Improvement Act.

Floor Statement of Senator Max Baucus
September 29, 2006

Mr. President, this Congress has made little progress on health care.

We know the problems: Health costs are rising. The number of uninsured is growing. American companies, burdened by growing health-care obligations, are struggling to compete.

And what has Congress done about it? Not much.

The trends are worsening. Last month, we learned that nearly 47 million Americans lack health insurance. That's up from a bit over 40 million in 2001.

Last week we learned that health insurance premiums rose 7.7 percent last year. That's twice the rate of inflation.

And nearly every day, I hear from an employer concerned about the rising cost of health care.

Unfortunately, this Congress has not made progress on these top-tier health issues. Congress has not made progress even where wide agreement exists.

There is wide agreement on health information technology, or health IT. Most experts agree that smarter use of health IT would cut costs. It would increase efficiency. It would reduce medical errors. And it would save lives.

Furthermore, health IT would help us to move to system of paying health care providers for the quality of care that they provide. That's an important priority of mine.

Last November, the Senate passed a health IT bill unanimously. That was nearly 11 months ago. Yet an agreement has still not been reached with the House on a compromise health IT bill.

This bill started with broad support across the Senate. But deliberations on this bill have now turned partisan. The majority has excluded Democrats from the conference committee deliberations.

There is also wide agreement on Medicare physician reimbursements. An overwhelming majority of Senators have urged action to prevent a pending 5.1 percent cut in the Medicare physician fee schedule for 2007. And there is broad agreement on the need to start rewarding quality in Medicare. But despite agreement on both issues, Congress has yet to act.

There is also wide agreement on helping seniors confused by the new Medicare drug benefit. The new Medicare drug program imposes a penalty on those who sign up after the enrollment deadline. But the way that the Government implemented the new Medicare drug program confused seniors.

In response, Chairman Grassley and I joined a wide group of Senators to introduce legislation to waive the penalty for this year. But despite broad support for this measure, it remains unaddressed.

There is also wide agreement that we need to sustain important health safety net programs. In 3 months, funding for Transitional Medical Assistance — TMA — will expire. TMA provides temporary health coverage to low-income working parents moving from welfare to work. Without a TMA extension, nearly 800,000 working parents will lose the temporary health coverage that they need to leave welfare and lead independent lives.

There is also wide agreement that we need to enact technical corrections to last year's Deficit Reduction Act. While I did not vote for that bill, it's important that Congress clarify any misunderstandings over its intent. I know that Chairman Grassley shares my interest in getting this done as soon as possible.

There is also wide agreement to support the Children's Health Insurance Program, or CHIP. CHIP has helped cut the number of uninsured kids from 10.7 million in 1997 to 8.3 million in 2005. But despite this success, 17 states face federal funding shortfalls in their CHIP programs. These shortfalls potentially jeopardize coverage for hundreds of thousands of kids. We cannot afford to lose ground in our fight to provide more health coverage for children.

There is also wide agreement that we need to improve health care in Indian Country. In June, the Finance Committee reported legislation to improve access to Medicare, Medicaid, and CHIP in Indian Country. That bill is now part of the Indian Health Care Improvement Act. That bill is being held hostage by a handful of opponents on the other side.

Mr. President, there's no shortage of important health issues. Many health issues spark intense partisan disagreement. But that's generally not true about the ones that I just described.

That's why it is so disappointing that these issues — from Medicare physician payments to Transitional Medicaid — remain unaddressed.

If we are ever going to make progress on the most difficult problems facing our health system — rising costs, the uninsured, threats to American competitiveness — we will have to work together and pass legislation. That we cannot even work together on issues with wide agreement is deeply troubling.